

ASSESSMENT OF THE U.S. TEXTILE AND APPAREL INDUSTRY

SCOPE OF ASSESSMENT

The U.S. Department of Commerce, Bureau of Industry and Security (BIS), Office of Strategic Industries and Economic Security, at the request of the U.S. Congress, is conducting an assessment of the U.S. textile and apparel industry. This assessment will include:

- an assessment of the current health and competitiveness of the U.S. textile and apparel industry;
- an analysis of the contribution of the textile and apparel industry to the U.S. economy;
- an analysis of the contribution of the textile and apparel industry to the U.S. armed forces;
- a review of whether the United States is increasing its dependency on foreign sources for critical textile-related materials;
- potential threats to internal security from increased foreign sourcing and dependency; and
- whether the Berry Amendment and other Buy-American restrictions are being effectively enforced by the Department of Defense.

Your timely and complete response to this survey will assist us in completing our analysis of this important industry.

RESPONSE TO THIS SURVEY IS REQUIRED BY LAW

This report is required by law (50 U.S.C. App. Sec. 2155). Failure to report can result in a maximum fine of \$10,000 or imprisonment up to one year, or both. Information furnished herewith is deemed confidential and will not be published or disclosed except in accordance with Section 705 of the Defense Production Act of 1950, as amended (50 U.S.C. App. Sec. 2155). Section 2155 et. seq. prohibits the publication or disclosure of this information unless the Secretary of Commerce determines that its withholding is contrary to the national defense. Consistent with Section 2155, the information submitted will not be published or disclosed, other than in aggregate form, and such information will be protected pursuant to the appropriate exemptions from disclosure under the Freedom of Information Act (FOIA), should it be the subject of a FOIA request.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number.

BURDEN ESTIMATE & REQUEST FOR COMMENT

Public reporting burden for this collection of information is estimated to average five hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Commerce, BIS Reports Clearance Officer, Room 6883, Bureau of Industry and Security, Washington, DC 20230, and to the Office of Management and Budget, Paperwork Reduction Project (OMB Control Number 0694-0119), Washington, DC 20503.

GENERAL INSTRUCTIONS

Who Must Complete This Survey: Please complete this questionnaire if your firm manufactures textile- and/or apparel-related products, including raw materials, supplies inputs such as machinery, chemicals, dyes, etc. or specialized services to textile and apparel producers, resells or distributes textile and/or apparel-related products, or performs textile and/or apparel-related research and development. This survey has 7 sections as follows:

- | | | |
|------------------------|----------------------------|--------------------|
| I. Firm Identification | IV. Market Focus | |
| II. Workforce | V. Financial Information | VII. Certification |
| III. Firm Operations | VI. Competitiveness Issues | |

1- **Multiple Divisions:** You must complete this survey for all of your U.S. textile- and apparel-related operations. You may combine all of the data from individual divisions into one response, or submit separate surveys for each division. Please indicate in question 3 the name(s) of any division(s) you have included in your response, and/or how many surveys we should expect to receive from your firm.

2- **Responses by U.S. Establishment:** For questions 5a, 6, 7, 9-12, and 14a, you are asked to provide information by U.S. establishment for your firm. The questions allow room for responses for 7 establishments. If your firm has more than 7 establishments, please attach appropriately designated separate continuation pages for each of the questions, providing the responses for your other facilities.

3- **Estimates:** It is not our desire to impose any unreasonable burden on any respondent. If information requested is not available from your records in exactly the form indicated, furnish the most accurate estimates you are able to provide and designate these figures as such with the letter "E" following the estimate figure. If an item does not apply to your firm, please designate with the letters "N/A".

4- **Questions** related to this survey should be directed to:

Ronald J. DeMarines, Trade & Industry Analyst, (202) 482-3755, Rdemarin@bis.doc.gov
Rebecca Ross, Trade & Industry Analyst, (202) 482-8223, Rross@bis.doc.gov or
Kristen Deschermeier, Trade & Industry Analyst, (202) 482-4959, Kdescher@bis.doc.gov

5- If you are interested in downloading additional copies of the survey, please visit our website:
<http://www.bis.doc.gov/defenseindustrialbaseprograms/TextileApparel.wpd> (WordPerfect)
<http://www.bis.doc.gov/defenseindustrialbaseprograms/TextileApparel.pdf> (Adobe Acrobat)

6- Before returning your completed survey, be sure to: 1) sign the certification on page 26, indicating the name and phone number of a contact person in case we have questions about your response. **Make a copy of the completed survey for your records.**

7- Return your completed survey *within 15 days of receipt* to:

**Mr. Brad Botwin, Division Director
BIS/SIES, Room 3876 (T)
U.S. Department of Commerce
14th Street & Constitution Avenue, NW
Washington, DC 20230**

You may also fax your survey to (202) 482-5650.

DEFINITIONS

Berry Amendment (10 U.S.C. §2533a): This amendment generally restricts the U.S. Department of Defense's expenditure of funds for supplies consisting in whole or in part of certain articles and items not grown or produced in the United States or its possessions. These articles are: Food; clothing; tents, tarpaulins, or covers; cotton and other natural fiber products, or wool; woven silk or woven silk blends; spun silk yarn for cartridge cloth; synthetic fabric or coated synthetic fabric; canvas products; individual equipment manufactured from or containing any of the listed fibers, yarns, fabrics, or materials; certain specialty metals; and hand or measuring tools.

Buy American Act (41 U.S.C. §§10a through 10d): This act restricts foreign access to most U.S. Government procurements by giving preference to domestically produced or manufactured products. Procurements valued at less than \$2,500 (the micro-purchase threshold) are excluded. Also, the act does not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

Defense Shipments: Direct and indirect military shipments, including domestic and international shipments for military use. These include: 1) defense related end-use items identified by purchase orders bearing a DO or DX rating and/or a contract number from the Department of Defense, the Nuclear Regulatory Commission, Central Intelligence Agency, Federal Aviation Administration, National Security Agency, or the National Aeronautics and Space Administration; 2) the orders of your customers which you can identify as producing products for defense purposes; and 3) devices tested and certified to military specifications.

Development: The design, development, simulation, or experimental testing of a prototype to validate technological feasibility and to reduce technological risk.

Establishment: A facility in which textile- or apparel-related products are produced, or where research and development takes place. Includes auxiliary facilities operated in conjunction with (whether or not physically separated from) such facilities.

Firm: An individual proprietorship, partnership, corporation (including any subsidiary corporation in which more than 50 percent of the outstanding voting stock is owned), cooperative, joint venture, consortium, association, business trust, trustees in bankruptcy, or receivers under decree of any court owning or controlling one or more establishments, as defined above.

Products: The output from manufacturing and production activities or associated with the concurrent development and maturation of the product design.

Production Workers – Includes all workers engaged in such occupations as fabricating, assembling, product development, processing, storage, receiving, warehousing, maintenance, packing, handling, shipping, trucking, janitorial, repair, and record keeping (clerical) related to production. Also includes working supervisors and group leaders who may be in charge of a group of employees, but whose supervisory functions are only incidental to their regular work.

DEFINITIONS (continued)

Research: Includes activities carried on by persons trained, either formally or by experience, in developing textile- and apparel-related products including related engineering and software development.

Shipments: Textile- and apparel-related products shipped by your firm during the reporting period. Such shipments should include inter-plant transfers, but should exclude shipments of products produced by other manufacturers for resale under your brand name. Do not adjust for returned shipments.

Textile and Apparel Industry: Comprises companies that transform a basic fiber (natural or synthetic) into a product, such as yarn or fabric, that can be further processed or manufactured into woven, knitted, bonded, felted, needle-punched, lace, and crocheted goods for commercial or industrial use, as well as companies involved in two distinct manufacturing processes: (1) cut and sew (i.e., purchasing fabric and cutting and sewing to make a garment), and (2) the manufacture of garments in establishments that first knit fabric and then cut and sew fabric into a garment.

Trade Adjustment Assistance (TAA) Program: A federal program established under the Trade Act of 1974, as amended. The TAA Program provides aid to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports. Workers whose employment is adversely affected by increased imports may apply for TAA. TAA offers a variety of benefits and reemployment services to assist unemployed workers prepare for and obtain suitable employment. Workers may be eligible for training, job search and relocation allowances, income support and other reemployment services.

United States: The fifty States, the District of Columbia, Puerto Rico, and all territories, dependencies, and possessions of the United States including foreign trade zones.

PART I – FIRM IDENTIFICATION

TYPE OF TEXTILE & APPAREL ACTIVITIES: Please indicate with a checkmark (✓) all of your firm's textile- and apparel-related activities (more than one may apply).	
My firm manufactures textile and/or apparel items	<input type="checkbox"/>
My firm manufactures product(s) for the textile and apparel industry	<input type="checkbox"/>
My firm provides specialized services for the textile and apparel industry	<input type="checkbox"/>
My firm distributes product(s) for the textile and apparel industry	<input type="checkbox"/>
My firm resells products for the textile and apparel industry	<input type="checkbox"/>
My firm conducts research and development for the textile and apparel industry	<input type="checkbox"/>
Other (specify): My firm _____ for the textile and apparel industry	<input type="checkbox"/>

EXEMPTION FROM SURVEY

If your firm's activities do not fall into any of the textile- and apparel-related categories above, your firm may be exempt from completing this survey. Please call one of the contacts listed on page ii to verify your status. Then:

a. Briefly explain the products and/or services provided by your firm.

b. Complete the Certification Section on the last page of the survey and return the entire survey to the address given in the instructions.

1. FIRM OR DIVISION NAME AND ADDRESS – Please provide the name and address of your firm or division.

Name _____

Street Address _____

City, State, Zip Code _____

2. OWNERSHIP – If your organization is wholly or partially owned by another entity, indicate the name and address of parent entity, the extent of ownership, and the year acquired.

Name _____

Street Address _____

City, State, Zip Code _____

Country (if not the United States) _____

Extent of Ownership: _____ % Year Acquired: _____

Note: Any information submitted in response to this survey will be deemed business confidential and exempt from public disclosure in accordance with section 705 of the Defense Production Act of 1950, as amended.

BUSINESS CONFIDENTIAL

3. **BUSINESS DESCRIPTION** – Please briefly describe your firm’s business, including the products or services that your firm provides.

4. **MULTIPLE DIVISIONS** – You must complete this survey for all of your U.S. textile and apparel divisions. If your firm consists of only one division, please go to question 5a.

If your firm consists of more than one division, you may submit separate surveys for each division or combine all of the data from individual divisions into one response. One or more of your divisions also may have received a survey form. Please ensure that you do not duplicate data if you submit more than one survey.

Specify how many surveys we will receive from your entire firm: _____

If you are submitting only one survey, please identify the domestic divisions (aside from that listed in question 1) that are included in your response.

Name of Division	City, State

BUSINESS CONFIDENTIAL

5a. **U.S. ESTABLISHMENT LOCATIONS** – Please list your firm’s (or division’s) U.S. establishment(s) currently in operation that manufacture textile- and apparel-related goods or provide services to the industry. Indicate which division (from question 4), if applicable, that these establishments fall under. **Please list only your firm’s U.S. establishments.**

If your firm has more than seven U.S. establishments, please continue your response to this question on a separate piece of paper.

U.S. Establishment	Division (if applicable)	City	County	State
A				
B				
C				
D				
E				
F				
G				

5b. **FOREIGN ESTABLISHMENT LOCATIONS** – Please list your firm’s (or division’s) foreign establishment(s) including foreign joint venture(s) establishment(s) currently in operation that manufacture textile- and apparel-related goods or provide services or inputs to the industry. Indicate which division (from question 4), if applicable, that these establishments fall under. **Please list only your firm’s foreign establishments or your firm’s foreign joint venture(s) establishment(s) in which your firm holds an equity position.**

Foreign Establishments by Division, Country, and Goods/Services		
Division (if applicable)	Country	Textile- & Apparel-Related Goods or Services

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BUSINESS CONFIDENTIAL

6. TEXTILE AND APPAREL MANUFACTURING AND SERVICES – Please indicate with a check mark (✓) the industry sector or sectors of the textile and apparel industry your firm operates in or services provided by placing a check next to each applicable North American Industry Classification System (NAICS) code. In the second column, indicate which of your U.S. establishment(s) A through G (as provided in question 5a) are involved in the sector(s). In the fifth column, please indicate whether your output is used for defense or non-defense end uses, or select “unknown” if applicable.

The table continues onto the next page.

✓	ESTAB.(s) A-G	NAICS CODE	DESCRIPTION	CIRCLE APPLICABLE END USES
Fiber, Yarn, & Thread Mills				
		313111	Yarn Spinning Mills	Def. Non-Def. Unknown
		313112	Yarn Texturing, Throwing & Twisting Mills	Def. Non-Def. Unknown
		313113	Thread Mills	Def. Non-Def. Unknown
Broadwoven Fabric Mills				
		313210	Broadwoven Fabric Mills	Def. Non-Def. Unknown
Narrow Fabric Mills & Schifflli Machine Embroidery				
		313221	Narrow Fabric Mills	Def. Non-Def. Unknown
		313222	Schifflli Machine Embroidery	Def. Non-Def. Unknown
Nonwoven Fabric Mills				
		313230	Nonwoven Fabric Mills	Def. Non-Def. Unknown
Knit Fabric Mills				
		313241	Weft Knit Fabric Mills	Def. Non-Def. Unknown
		313249	Other Knit Fabric & Lace Mills	Def. Non-Def. Unknown
Textile & Fabric Finishing Mills				
		313311	Broadwoven Fabric Finishing Mills	Def. Non-Def. Unknown
		313312	Textile and Fabric Finishing Mills	Def. Non-Def. Unknown
		313320	Fabric Coating Mills	Def. Non-Def. Unknown
Carpet & Rug Mills				
		314110	Carpet & Rug Mills	Def. Non-Def. Unknown
Curtain & Linen Mills				
		314121	Curtain & Drapery Mills	Def. Non-Def. Unknown
		314129	Other Household Textile Product Mills	Def. Non-Def. Unknown
Textile Bag & Canvas Mills				
		314911	Textile Bag Mills	Def. Non-Def. Unknown
		314912	Canvas & Related Product Mills	Def. Non-Def. Unknown
All Other Textile Product Mills				
		314991	Rope, Cordage & Twine Mills	Def. Non-Def. Unknown
		314992	Tire Cord & Tire Fabric Mills	Def. Non-Def. Unknown
Hosiery & Sock Mills				
		315111	Sheer Hosiery Mills	Def. Non-Def. Unknown
		315119	Other Hosiery & Sock Mills	Def. Non-Def. Unknown
Other Apparel Knitting Mills				
		315191	Outerwear Knitting Mills	Def. Non-Def. Unknown
		315192	Underwear & Nightwear Knitting Mills	Def. Non-Def. Unknown
Cut & Sew Apparel Contractors				
		315211	Men’s & Boys’ Cut & Sew Apparel Contractors	Def. Non-Def. Unknown
		315212	Women’s, Girl’s, & Infants’ Cut & Sew Apparel Contr.	Def. Non-Def. Unknown

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BUSINESS CONFIDENTIAL

✓	ESTAB.(s) A-G	NAICS CODE	DESCRIPTION	CIRCLE APPLICABLE END USES
Men's & Boys' Cut & Sew Apparel Manufacturing				
		315221	Men's & Boys' Cut & Sew Underwear & Nightwear Mfg.	Def. Non-Def. Unknown
		315222	Men's & Boys' Cut & Sew Suit, Coat, & Overcoat Mfg.	Def. Non-Def. Unknown
		315223	Men's & Boys' Cut & Sew Shirt (Exc. Work Shirt) Mfg.	Def. Non-Def. Unknown
		315224	Men's & Boys' Cut & Sew Trouser, Slack, & Jean Mfg.	Def. Non-Def. Unknown
		312225	Men's & Boys' Cut & Sew Work Clothing Mfg.	Def. Non-Def. Unknown
		315228	Men's & Boys' Cut & Sew Other Outerwear Mfg.	Def. Non-Def. Unknown
Women's & Girls' Cut & Sew Apparel Manufacturing				
		315231	Women's & Girls' Cut & Sew Lingerie & Nightwear Manufacturing	Def. Non-Def. Unknown
		315232	Women's & Girls' Cut & Sew Blouse & Shirt Mfg.	Def. Non-Def. Unknown
		315233	Women's & Girls' Cut & Sew Dress Mfg.	Def. Non-Def. Unknown
		315234	Women's & Girls' Cut & Sew Suit Mfg.	Def. Non-Def. Unknown
		315239	Women's & Girls' Cut & Sew Other Outerwear Mfg.	Def. Non-Def. Unknown
Other Cut & Sew Apparel Manufacturing				
		315291	Infants' Cut & Sew Apparel Manufacturing	Def. Non-Def. Unknown
		315292	Fur & Leather Apparel Manufacturing	Def. Non-Def. Unknown
		315299	All Other Cut & Sew Apparel Manufacturing	Def. Non-Def. Unknown
Apparel Accessories & Other Apparel Manufacturing				
		315991	Hat, Cap & Millinery Manufacturing	Def. Non-Def. Unknown
		315992	Glove & Mitten Manufacturing	Def. Non-Def. Unknown
		315993	Men's and Boys' Neckwear Manufacturing	Def. Non-Def. Unknown
		315999	Other Apparel Accessories & Other Apparel Mfg.	Def. Non-Def. Unknown
Leather & Hide Tanning & Finishing				
		316110	Leather & Hide Tanning & Finishing	Def. Non-Def. Unknown
Footwear Manufacturing				
		316211	Rubber & Plastics Footwear Manufacturing	Def. Non-Def. Unknown
		316212	House Slipper Manufacturing	Def. Non-Def. Unknown
		316213	Men's Footwear (Except Athletic) Mfg.	Def. Non-Def. Unknown
		316214	Women's Footwear (Except Athletic) Mfg.	Def. Non-Def. Unknown
		316219	Other Footwear Manufacturing	Def. Non-Def. Unknown
Resin, Synthetic Rubber Manufacturing				
		325221	Cellulosic Organic Fiber Manufacturing	Def. Non-Def. Unknown
		325222	Non-Cellulosic Organic Fiber Manufacturing	Def. Non-Def. Unknown
All Others (Machinery, Chemicals, Dyes, etc.)				
			(Specify)	Def. Non-Def. Unknown
			(Specify)	Def. Non-Def. Unknown
			(Specify)	Def. Non-Def. Unknown
			(Specify)	Def. Non-Def. Unknown

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BUSINESS CONFIDENTIAL

7. **EXPANSIONS OR CONTRACTIONS** – For each U.S. establishment A through G identified in question 5a above, indicate in the table below whether operations at that location expanded (including expanded capacity) or contracted during 1999-2003; if so, provide the year of that change. If there were no changes in operations at a given facility, please check the “No Changes” column.

If your firm has more than seven U.S. establishments, please continue your response to this question on a separate piece of paper.

Estab.	Expansion or Contraction of U.S. Establishment Operations, 1999-2003				
	Expanded	1999 - 2003 (Specify year(s))	Contracted	1999 - 2003 (Specify year(s))	No Changes
A	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
B	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
C	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
D	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
E	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
F	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
G	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>

8. **BEGAN OR CEASED OPERATIONS** – If your firm began or ceased operations at any U.S. facility during 1999-2003, provide year of the change(s). Please include all relevant facilities, whether or not you listed them in your response to question 5a.

Began or Ceased U.S. Establishment Operations, 1999-2003			
Location (City, State)	Began Production	Ceased Production	1999 - 2003 (Specify year(s))
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	

8a. If you either contracted or ceased production at any U.S. establishments between 1999 and 2003, were your laid-off workers certified as a Trade Adjustment Assistance (TAA) or NAFTA-TAA worker group? (See definition of the TAA Program on page iv.)

Yes No

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PART II – WORKFORCE

9. **TEXTILE- AND APPAREL-RELATED U.S. EMPLOYMENT BY ESTABLISHMENT** – For each U.S. establishment identified in question 5a above, please indicate the total (full- & part-time) textile- and apparel-related U.S. employment as of December 31, for the year indicated. Also, provide the number of production workers included in the total for each year. (For a definition of production workers, please see page iii.) Then, in the bottom line of the table, please give the totals for each year. If you cannot provide employment by establishment, please provide only your firm’s total U.S. employment for each year. Please estimate U.S. employment for full year 2003.

Note: “Workers” include contract workers not directly employed by your firm.

If your firm has more than seven U.S. establishments, please continue your response to this question on a separate piece of paper.

U.S. Estab.	U.S. Textile- and Apparel-Related Employment by Establishment, Total and Production Workers, 1999-2003									
	Dec. 31, 1999		Dec. 31, 2000		Dec. 31, 2001		Dec. 31, 2002		Dec. 31, 2003 (est.)	
	Total	Prod.	Total	Prod.	Total	Prod.	Total	Prod.	Total	Prod.
A										
B										
C										
D										
E										
F										
G										
Total										

BUSINESS CONFIDENTIAL

10. FUTURE TEXTILE- AND APPAREL-RELATED EMPLOYMENT – Does your firm have any plans to add employees at its U.S. establishments during the next five years? **Yes** **No**

If “Yes”, please indicate the estimated number of employees to be added, the number of these positions that are production positions, and the year(s). Explain the reason for the increase (s) in the space below the table.

Estab.	Total Positions To Be Added	Number of Prod. Workers	Year(s)
A			
B			
C			
D			
E			
F			
G			
Total			

Reason for Increase:

11. Does your firm have any plans to reduce textile- and apparel-related employment at U.S. establishments during the next 5 years? **Yes** **No**

If “Yes”, please indicate the estimated number of employees affected, the number of production workers involved, and the year(s). In the space below the table, explain the reason for the reduction.

Estab.	Total Positions To Be Eliminated	Number of Prod. Workers	Year(s)
A			
B			
C			
D			
E			
F			
G			
Total			

Reason For Decrease:

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PART III – FIRM OPERATIONS

12. **TEXTILE- AND APPAREL-RELATED SHIPMENTS BY U.S. ESTABLISHMENT**– For each establishment identified in question 5a above, please indicate the total textile- and apparel-related shipments for the years indicated. Also, indicate the percentage of each establishment’s shipments by value that are destined for defense end uses (for definitions of shipments and defense shipments, see page iii). Provide the total shipments for each year in the bottom row. If you cannot provide shipments by establishment, please provide your firm’s total shipments for each year. Please estimate shipments for full year 2003.

If your firm has more than seven U.S. establishments, please continue your response to this question on a separate piece of paper.

Estab.	1999		2000		2001		2002		2003 (est.)	
	Shipments	% Defense	Shipments	% Defense						
A	\$.00	%	\$.00	%	\$.00	%	\$.00	%	\$.00	%
B	\$.00	%	\$.00	%	\$.00	%	\$.00	%	\$.00	%
C	\$.00	%	\$.00	%	\$.00	%	\$.00	%	\$.00	%
D	\$.00	%	\$.00	%	\$.00	%	\$.00	%	\$.00	%
E	\$.00	%	\$.00	%	\$.00	%	\$.00	%	\$.00	%
F	\$.00	%	\$.00	%	\$.00	%	\$.00	%	\$.00	%
G	\$.00	%	\$.00	%	\$.00	%	\$.00	%	\$.00	%
Total	\$.00	%	\$.00	%	\$.00	%	\$.00	%	\$.00	%

Note: Any information submitted in response to this survey will be deemed business confidential and exempt from public disclosure in accordance with section 705 of the Defense Production Act of 1950, as amended.

13. **SURGE CAPACITY ESTIMATES** – The following question is designed to gather information about the ability of your firm’s U.S. facilities to meet a surge in U.S. demand for textile and apparel items created by a national security emergency.

During 2002, did your firm supply defense-related textile and/or apparel items?

- Yes No

If your firm did not supply defense-related textile and/or apparel items during 2002, please go to question 14.

Use your firm’s defense-related textile and apparel shipments from 2002 as listed in question 12 as a baseline. For the purposes of this question, please make the following assumptions:

1. Existing U.S. textile and apparel production facilities are to be operated at full productive capacity;
2. New equipment may be purchased to replace existing machinery. Equipment on hand at the time of the beginning of the surge may be refurbished or otherwise brought into productive service;
3. Labor availability reflects normal local market conditions;
4. Material availability reflects normal local market conditions; and
5. Facilities operate at the maximum rate possible given technological constraints.

Given the assumptions above, could your firm double its average monthly U.S. output of defense-related textile and apparel items at its U.S. facilities in the next 6 months?

- Yes No

Given the assumptions above, could your firm double its average monthly U.S. output of defense-related textile and apparel items in the next 12 months?

- Yes No

If your firm could not double its U.S. textile and apparel production within the next 12 months, how long (including the first 12 months) would it take your firm to double its monthly average output?

_____ Months

BOTTLENECKS: What difficulties would your firm experience in its efforts to double its U.S. textile and apparel production? Check as many as apply and add any other difficulties.

- Labor Agreements
- Labor Shortages
- U.S.-Sourced Raw Material Shortages/Non-Availability
- Foreign-Sourced Raw Material Shortages/Non-Availability
- Delays in Delivery of Domestic-Sourced Raw Materials
- Delays in Delivery of Foreign-Sourced Raw Materials
- New Machinery Delivery Leadtimes
- Plant Space/Capacity
- Access to Capital
- Other: _____
- Other: _____

BUSINESS CONFIDENTIAL

What actions could be taken by the U.S. Government or your firm to eliminate/mitigate these “bottlenecks”?

14a. EXPORT SHIPMENTS: TOTAL AND/OR BY U.S. ESTABLISHMENT – For each U.S. establishment identified in question 5a above, please indicate the establishment’s total export shipments for the years indicated. Please provide your best estimate; however, if you are not able to identify export shipments by establishment, provide your firm’s total U.S. export shipments for each year. Please estimate export shipments for full year 2003.

NOTE: please provide the shipment values, not the sales values, of these exports.

If your firm has more than seven U.S. establishments, please continue your response to this question on a separate piece of paper.

Estab.	1999	2000	2001	2002	2003 (est.)
A	\$.00	\$.00	\$.00	\$.00	\$.00
B	\$.00	\$.00	\$.00	\$.00	\$.00
C	\$.00	\$.00	\$.00	\$.00	\$.00
D	\$.00	\$.00	\$.00	\$.00	\$.00
E	\$.00	\$.00	\$.00	\$.00	\$.00
F	\$.00	\$.00	\$.00	\$.00	\$.00
G	\$.00	\$.00	\$.00	\$.00	\$.00
Total	\$.00	\$.00	\$.00	\$.00	\$.00

EXPORT DESTINATIONS – List the top 5 countries (by dollar value of shipments) that you export to:

1. _____
2. _____
3. _____
4. _____
5. _____

14b. DEFENSE RELATED EXPORTS – If your firm’s export shipments include defense-related items, what share of the “Total” value from question 14 consists of defense-related shipments to foreign entities?

1999	2000	2001	2002	2003 (est.)
%	%	%	%	%

Note: Any information submitted in response to this survey will be deemed business confidential and exempt from public disclosure in accordance with section 705 of the Defense Production Act of 1950, as amended.

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15a. **FOREIGN SOURCING AND FOREIGN DEPENDENCY** – For all of your textile and apparel operations, what is (are) the most important product(s) (including machinery, raw materials and supplies) and/or service(s) that you procure from foreign sources? Please list the 10 most significant product(s)and/or service(s) and the country(ies) from which your firm sources those product(s)/service(s). In the third column, indicate if your firm is dependent on that foreign source of supply (i.e., there is no adequate domestic source).

Foreign Product(s) or Service(s)	Country(ies)	Dependent on foreign source(s)
		<input type="checkbox"/>

Comments, if any, on foreign sourcing and dependency issues:

15b. **PRODUCTION CAPACITY** – Production capacity is the level of production that your firm could reasonably have expected to attain during 2002.

What share of your firm’s production capacity (in units) in 2002 is located in the United States? _____%

What share of your firm’s production capacity (in units) has moved offshore since January 1, 1999? _____%

What share of your firm’s production capacity (in units) do you expect to move offshore in the next 2 years? _____%

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PART IV – MARKET FOCUS

16. ALTERNATIVE DEFENSE PRODUCT SOURCES – If your firm currently supplies textile or apparel products for U.S. defense-related uses, please answer the following question. If not, please go to question 17.

If your firm (or any of its establishments) ceased operation today, would similar or substitute product(s) be readily available to defense-related end-users from other U.S. suppliers? For this response, consider that “similar product(s)” must meet the specifications of the product(s) of the closed facility.

- Yes No

If you answered “No”, please specify any other global sources for this product(s).

Product	Firm/Firms	Producing Country/Countries

Could your firm maintain its financial viability if it were to rely solely on sales of textile- and apparel-related items to defense end users?

- Yes No

Please explain your response.

17. COMMERCIAL TEXTILE AND APPAREL MARKET – Is your firm planning to exit the U.S. commercial textile and apparel market in the next five years? Yes No

If Yes, please explain the reason(s) for your decision.

- | | |
|---|--|
| <input type="checkbox"/> Uncertainty of demand | <input type="checkbox"/> Sold commercial portion of business |
| <input type="checkbox"/> Decrease in commercial demand | <input type="checkbox"/> Merger/acquisition |
| <input type="checkbox"/> Increased foreign competition | <input type="checkbox"/> Other (specify) |
| <input type="checkbox"/> Defense market more profitable | _____ |

Note: Any information submitted in response to this survey will be deemed business confidential and exempt from public disclosure in accordance with section 705 of the Defense Production Act of 1950, as amended.

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18. During 1999 - 2003, did your firm exit the textile and apparel commercial market?

- Yes – In what year? _____ No

If Yes, please explain the reason(s) for your decision.

- | | |
|---|--|
| <input type="checkbox"/> Uncertainty of demand | <input type="checkbox"/> Sold commercial portion of business |
| <input type="checkbox"/> Decrease in commercial demand | <input type="checkbox"/> Merger/acquisition |
| <input type="checkbox"/> Increased foreign competition | <input type="checkbox"/> Commercial product not profitable |
| <input type="checkbox"/> Defense market more profitable | <input type="checkbox"/> Other (specify) _____ |

19. **ENTERING DEFENSE TEXTILE AND APPAREL MARKET** – Is your firm planning to enter the U.S. defense market for textiles and apparel in the next five years?

- Yes No

Please explain your answer.

20. Did your firm enter the defense market for textiles and apparel during 1999-2003?

- Yes No

If yes, please explain what motivated your firm to do so.

21. **EXITING DEFENSE TEXTILE AND APPAREL MARKET** – Is your firm planning to exit the U.S. defense market for textiles and apparel in the next five years?

- Yes No

If yes, for which of the following reasons? (select all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Inconsistent procurement practices | <input type="checkbox"/> Commercial market more profitable |
| <input type="checkbox"/> Decrease in defense demand | <input type="checkbox"/> Delays in payment |
| <input type="checkbox"/> Department of Defense regulations too cumbersome | <input type="checkbox"/> Difficulty in complying with Federal Acquisition Regulations |
| <input type="checkbox"/> Sold defense portion of business | <input type="checkbox"/> Other (specify) _____ |
| <input type="checkbox"/> Merger/acquisition | |

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22. During 1999 - 2003, did your firm exit the U.S. defense market for textiles and apparel?

- Yes – In what year? _____ No

If yes, for which of the following reasons? (select all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Inconsistent procurement practices | <input type="checkbox"/> Commercial market more profitable |
| <input type="checkbox"/> Decrease in defense demand | <input type="checkbox"/> Delays in payment |
| <input type="checkbox"/> Department of Defense regulations too cumbersome | <input type="checkbox"/> Difficulty in complying with Federal Acquisition Regulations |
| <input type="checkbox"/> Sold defense portion of business | <input type="checkbox"/> Other (specify) |
| <input type="checkbox"/> Merger/acquisition | _____ |

PART V – FINANCIAL INFORMATION

23. **FINANCIAL DATA: ENTIRE FIRM** – Please report your firm’s financial data for the years indicated for all activities. Please estimate for full year 2003.

	1999	2000	2001	2002	2003 (est.)
Net Sales	\$.00	\$.00	\$.00	\$.00	\$.00
Cost of Goods Sold	\$.00	\$.00	\$.00	\$.00	\$.00
Selling, General, and Administration Expenses	\$.00	\$.00	\$.00	\$.00	\$.00
Operating Income (line 1 minus lines (2+3))	\$.00	\$.00	\$.00	\$.00	\$.00

24. **FINANCIAL DATA: TEXTILE- AND APPAREL-RELATED ACTIVITIES ONLY** – Please report your firm’s financial data for the years indicated for all textile and apparel activities. Please estimate for full year 2003.

Check this box if the financial data reported in Question 23 above represents only textile- and apparel-related activities. If so, skip to question 25.

	1999	2000	2001	2002	2003 (est.)
Net Sales	\$.00	\$.00	\$.00	\$.00	\$.00
Cost of Goods Sold	\$.00	\$.00	\$.00	\$.00	\$.00
Selling, General, and Administration Expenses	\$.00	\$.00	\$.00	\$.00	\$.00
Operating Income (line 1 minus lines (2+3))	\$.00	\$.00	\$.00	\$.00	\$.00

25. **BALANCE SHEET INFORMATION: TEXTILE- AND APPAREL-RELATED ACTIVITIES ONLY** – Please supply the balance sheet information requested below for 1999-2002 for your textile- and apparel-related activities only.

	1999	2000	2001	2002
Current Assets	\$.00	\$.00	\$.00	\$.00
Current Liabilities	\$.00	\$.00	\$.00	\$.00
Inventories	\$.00	\$.00	\$.00	\$.00
Total Assets	\$.00	\$.00	\$.00	\$.00
Short-Term Debt	\$.00	\$.00	\$.00	\$.00
Long-Term Debt	\$.00	\$.00	\$.00	\$.00

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26. **INTEREST COVERAGE RATIO** – The interest coverage ratio is:

$$\text{(Earnings Before Interest and Taxes)} \div \text{(Interest Payments)}$$

For 2002, what was your firm’s interest coverage ratio for textile- and apparel-related activities only?
 _____%

27. **TEXTILE- AND APPAREL-RELATED CAPITAL EXPENDITURES** – Please report your firm’s textile- and apparel-related capital expenditures for the years indicated. Estimate for full year 2003.

	1999	2000	2001	2002	2003 (est.)
New Plant & Facilities	\$.00	\$.00	\$.00	\$.00	\$.00
New Machinery and Equipment, Machinery Upgrades, and Replacement Parts	\$.00	\$.00	\$.00	\$.00	\$.00
Total Capital Expenditures	\$.00				

28. **TEXTILE- AND APPAREL-RELATED RESEARCH AND DEVELOPMENT**– Please report your firm’s textile- and apparel-related research and development expenditures for the years indicated. Please estimate for full year 2003.

	1999	2000	2001	2002	2003 (est.)
Research	\$.00	\$.00	\$.00	\$.00	\$.00
Development	\$.00	\$.00	\$.00	\$.00	\$.00
Total Research & Devel.	\$.00				

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29. **GOVERNMENT TEXTILE- AND APPAREL-RELATED RESEARCH GRANTS** – Did your firm receive government (Federal, State or Local) research grants related to textile or apparel research and development during 1999 - 2003? **Yes** **No**

If “Yes”, for each award please provide the amount, the name of the granting agency, and the purpose.

Amount	Agency	Purpose
\$.00		
\$.00		
\$.00		

30. **COOPERATIVE TEXTILE- AND APPAREL-RELATED R&D** – Has your firm cooperated with other businesses, governments, or universities on product development/process refinement or improvement? **Yes** **No**

If “Yes”, in each instance, please give the value of your investment (in-kind or in cash) and the name of your cooperative partners, and describe the purpose of this cooperation.

Investment Amount	Partners	Purpose
\$.00		
\$.00		
\$.00		

Note: Any information submitted in response to this survey will be deemed business confidential and exempt from public disclosure in accordance with section 705 of the Defense Production Act of 1950, as amended.

PART VI – COMPETITIVENESS ISSUES

31. **BARRIERS TO COMPETITIVENESS** – Please evaluate the potential barriers listed below for their impact on your firm’s competitiveness in the United States or foreign markets for textiles and apparel. For each potential impediment, rank the relative level of difficulty for that barrier, with 1 being no barrier and 5 being a high barrier.

Barrier	No Barrier <----->High Barrier				
	1	2	3	4	5
Government Rules and Regulations:					
Unfair U.S. laws (specify) _____					
NAFTA					
Unfair Foreign laws					
Foreign grants/subsidies					
Minimum wage requirements					
Immigration restrictions					
Other labor laws					
Export control regulations					
Import regulations					
EPA Regulation					
Lack of understanding/interest from U.S. government policymakers					
Antitrust laws					
Government procurement practices					
Insufficient or unstable government funding for R&D					
Local zoning and permitting practices					
Other government-related barriers (specify) _____					
Other Impediments:					
Access to capital					
Cost of capital					
Access to technology					
Access to information					
Size of market					
Unfair competition					
Availability of qualified personnel					
Distribution and transportation costs					
Marketing costs					
Liabilities concerns/insurance costs					
Equipment shortages					
Construction delays					
Other (specify) _____					

If you ranked any of the barriers above as “4” or “5”, please discuss the type of barrier(s) and how this/these barrier(s) impede your firm’s competitiveness.

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32. **GOVERNMENT POLICIES AND REGULATIONS** – How have U.S. Government policies and regulations (e.g., trade, environmental, labor, etc.) required you to adjust your firm’s business practices in a manner which has influenced your firm’s competitiveness?

33. **BERRY AMENDMENT RESTRICTIONS** – Do you believe the Berry Amendment restrictions are being effectively enforced by the Department of Defense? (For a definition of the Berry Amendment, please see page iii.)

- Yes No Not Applicable

If “No”, please provide specific examples, if possible, of inadequate enforcement, and explain how these incidents of non-enforcement affected your firm.

If you answered “No” to question 31, what actions, if any, have you taken to bring the lack of adequate enforcement of the Berry Amendment to the attention of the proper authorities?

34. **BUY AMERICAN RESTRICTIONS** – Do you believe the Buy American restrictions are being effectively enforced by the Department of Defense? (For a definition of the Buy American restrictions, please see page iii.)

- Yes No Not Applicable

If “No”, provide specific examples, if possible, of inadequate enforcement, and explain how these incidents of non-enforcement affected your firm.

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If you answered “No” to question 33, what actions, if any, have you taken to bring the lack of adequate enforcement of the Buy American restrictions to the attention of the proper authorities?

35. CHANGES IN GOVERNMENT POLICIES AND REGULATIONS – What additional actions, policy changes, or regulatory reforms could the Federal government implement to help your firm improve its competitiveness?

36. FOREIGN DIRECT INVESTMENT – How has foreign direct investment in the United States affected your firm and the competitive environment in the U.S. textile and apparel industry?

37. EFFECTS OF IMPORTS – Since January 1, 1999, has your firm experienced any negative effects as a result of U.S. imports of textile or apparel products?

No **Yes** – My firm has experienced negative effects as follows:

- | | |
|--|--------------------------|
| Declining Return on Investment | <input type="checkbox"/> |
| Declining or stalled growth | <input type="checkbox"/> |
| Cancellation or rejection of expansion projects | <input type="checkbox"/> |
| Loss of Sales | <input type="checkbox"/> |
| Declining prices or inability to raise prices | <input type="checkbox"/> |
| Denial or rejection of investment proposal | <input type="checkbox"/> |
| Reduction in the size of capital investment | <input type="checkbox"/> |
| Reduced spending on R&D | <input type="checkbox"/> |
| Layoffs | <input type="checkbox"/> |
| Rejection of bank loans | <input type="checkbox"/> |
| Lowering of credit rating | <input type="checkbox"/> |
| Problems related to the issue of stocks or bonds | <input type="checkbox"/> |
| Other (specify): _____ | |
| Other (specify): _____ | |

38. IMPACT OF WORLD TRADE ORGANIZATION QUOTA ELIMINATION -- How will the planned elimination of textile and apparel quotas in 2005 affect your firm's business and business plans?

39a. FOREIGN COMPETITORS – If your firm now faces competition in the United States from imports, please list below the source countries for these imports. Please rank these countries in the order of competitiveness faced by your firm, with "1" representing the most significant source of foreign competition.

Rank	Country	Rank	Country
1 st		6 th	
2 nd		7 th	
3 rd		8 th	
4 th		9 th	
5 th		10 th	

39b. Please list the countries you expect to be your firm's greatest source of import competition in 2006. Rank these countries in the order of expected competitiveness faced by your firm, with "1" representing the most significant source of foreign competition.

Rank	Country
1 st	
2 nd	
3 rd	
4 th	
5 th	

40. **DOMESTIC TEXTILE AND APPAREL COMPETITORS** – For each of your textile- and apparel-related products, please list your top 5 U.S. competitors and their U.S. headquarter location. If your firm has more than one U.S. competitor for a given product, indicate the rank for each competitor by the relevant product.

Rank	U.S. Competitor	City, State	Product(s)

41. **COMPETITIVE POSITION** – Please circle the number that best represents your competitiveness relative to your domestic competitors over the next five years. Base your rating on a scale of 1 to 5, with 1 being less competitive and 5 being highly competitive.

Less Competitive		Highly Competitive		
----->				
1	2	3	4	5

Please circle the number that best represents your competitiveness relative to your foreign competitors over the next five years. Base your rating on a scale of 1 to 5, with 1 being less competitive and 5 being highly competitive.

Less Competitive		Highly Competitive		
----->				
1	2	3	4	5

Note: Any information submitted in response to this survey will be deemed business confidential and exempt from public disclosure in accordance with section 705 of the Defense Production Act of 1950, as amended.

42. **COMPETITIVE ACTIONS** – What specific actions did your firm take to improve its competitiveness during 1999-2003? Please choose from the list below, adding other actions if necessary. Discuss these actions more fully in the space below the check boxes.

- Application of electronic data interchange (e-commerce)
- Modular, cellular or team production systems
- Quality management systems
- Automation
- Other (specify): _____
- Other (specify): _____

Please discuss.

43. **COMPETITIVE ACTIONS** – What specific actions does your firm plan to take to improve its competitiveness during 2004 and beyond? Please choose from the list below, adding other actions if necessary. Discuss these actions more fully in the space below the check boxes.

- Application of electronic data interchange (e-commerce)
- Modular, cellular or team production systems
- Quality management systems
- Automation
- Other (specify): _____
- Other (specify): _____

Please discuss.

BUSINESS CONFIDENTIAL

44. **COMPETITIVE ADVANTAGES FROM U.S. PRODUCTION** – Does your firm derive any competitive advantages from U.S. production because of:

- | | | |
|------------------------------|-----------------------------|--|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Rapid replenishment of retail orders |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | “Just-in-time” supply to industrial customers |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Customer preference for U.S. country of origin |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Complexity of product |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Other (specify) _____ |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Other (specify) _____ |

45. **COMPETITIVE STRATEGY** – Which of the following best describe the competitive strategy for your textile- and apparel-related activities? Select as many as apply.

- Lowest Price
- Best Product/Service
- Niche/Specialty
- All of the above
- Other (specify) _____

46a. **CUSTOMER CONCENTRATION** – For 2002, how many customers each accounted for more than 10 percent of your sales? _____ customers

46b. Do you expect this customer concentration to increase or decrease in 2003?

- Increase Decrease

46c. Do you expect this customer concentration to increase or decrease after 2003?

- Increase Decrease

47a. **SALES CHANNELS/DISTRIBUTORS CONCENTRATION** – For 2002, how many of your distributors each accounted for more than 10 percent of your sales? _____ distributors

47b. Do you expect this distributor concentration to increase or decrease in 2003?

- Increase Decrease

47c. Do you expect this distributor concentration to increase or decrease after 2003?

- Increase Decrease

PART VII – CERTIFICATION

The undersigned certifies that the information herein supplied in response to this questionnaire is complete and correct to the best of his/her knowledge. It is a criminal offense to willfully make a false statement or representation to any department or agency of the United States Government as to any matter within its jurisdiction (18 U.S.C. §1001 (2000)).

Firm Name	

Authorizing Official – Print Name	
_____	_____
Title	Phone Number
_____	_____
Signature	Date

Point of Contact- Print Name	
_____	_____
Title	Phone Number
_____	_____
Email	Fax Number

Final Report:

If you would like a copy of the final textile and apparel industry assessment, please check the box:

Comments (optional): In the space below, provide any additional comments or any other information you wish to include regarding your textile or apparel operations or other related issues that impact your firm. In addition, what industry needs and concerns did this survey fail to address?

